



News Release

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GOVERNORS URGE CONGRESS TO PRESERVE SCHIP FUNDS

\$3.5 Billion Up For Reversion and Redistribution

WASHINGTON— In a letter to Senate Finance and House Energy and Commerce Committee leadership, the nation's governors urged Congress to preserve about \$3.5 billion within the State Children's Health Insurance Program (SCHIP), including about \$1.4 billion at risk of returning to the federal treasury since October 1.

"As time runs out before the election recess it is important that Congress act to protect our most vulnerable citizens," said NGA Human Resources Chairman Indiana Gov. Frank O'Bannon. "Insuring the health and stability of our nation's low-income children should be one of Congress' top priorities before leaving Washington for the campaign trail."

Under provisions of the law that created SCHIP in 1997, the program could immediately lose about \$1.4 billion in funding. More than \$2 billion is also due to be redistributed under the current law, and will then expire if not spent by next September 30. If this combined funding is not restored and extended, health care services for as many as 900,000 children will be put at risk. SCHIP currently provides health care to more than 4.6 million low-income children nationwide.

The governors called upon Congress to support President Bush's proposal to retain expiring funds within the program until 2006, including reallocated and redistributed funds from the 1998-2000 program years and further clarified the need for continued reallocation and redistribution of program funds between states that have utilized their allotments and states that have not.

NGA Human Resources Vice Chairman North Dakota Gov. John Hoeven said, "It is imperative that Congress address the safety net for low-income children. SCHIP provides much needed care for millions of America's young people and Congress should build upon the bipartisan consensus of the nation's governors to secure the viability of this program."

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